



•
**Reinstatement
From Retirement**
•



Table of Contents

| | |
|---|---|
| What Every Retiree Should Know Before Reinstating1 | Calculating Your New Retirement Allowance7 |
| Reinstatement from Retirement.....1 | Estimates for Future Retirement Benefits8 |
| Unlawful or “Illegal” Employment1 | Reinstatement from Service Retirement Application9 |
| How Reinstatement Affects Subsequent Retirement2 | Reinstatement from Disability/ Industrial Disability Retirement Application .. 11 |
| Reinstatement from Service Retirement.....3 | |
| Reinstatement from Disability or Industrial Disability Retirement.....4 | How To Get More Information 13 |
| Important Information for State and CSU Retirees5 | Online Information..... 13 |
| When You Retire Again6 | Reaching Us by Phone 13 |
| | CalPERS Regional Offices 13 |

What Every Retiree Should Know Before Reinstating

Reinstatement from Retirement

Any CalPERS retiree may request approval from CalPERS to reinstate into active employment with a CalPERS-covered employer whereby the retirement benefit allowance is cancelled and the retiree resumes active member status and earns additional service credit from that employment towards a subsequent retirement.

California retirement law governs the type of employment you may have with a CalPERS-covered agency after you have retired. You must reinstate from retirement before you go back to work in a permanent position with an employer covered by CalPERS.

If your employment with a CalPERS-covered employer will be a **temporary appointment** to a position for which (1) you have specialized skills and this employment will be of limited duration, or (2) your employment is during an emergency and necessary to prevent stoppage of public business, you may be eligible to work up to 960 hours in a calendar or fiscal year – depending on the employer. Please refer to the *Employment After Retirement* booklet for specific information about what kind of employment is permissible without reinstatement.

Before you make the decision to reinstate, we **highly recommend** that you read this entire booklet. Then consult with your prospective employer's human resources or personnel office to determine your specific benefits as a retiree of your prospective employer. CalPERS staff are also available to answer questions at toll free **888 CalPERS** (or 888-225-7377).

Unlawful or “Illegal” Employment

If you accept a **permanent** appointment and begin working for a CalPERS-covered employer before applying to CalPERS for reinstatement, your employment is in violation of state law. **This is true whether or not the employment will exceed the 960 hour limit.** Upon notice to CalPERS of this unlawful employment, you will be subject to mandatory reinstatement retroactive to the date the unlawful employment began. The law also requires you to:

- **Reimburse CalPERS** for the total retirement benefits you received during the period of illegal employment;
- **Pay CalPERS** the employee retirement contributions that would have been submitted during the period of unlawful employment, plus interest; and
- **Reimburse CalPERS** for administrative expenses incurred in handling this situation, to the extent you are found to be at fault.

Any CalPERS-covered employer that employs a retired member in violation of the law will be required to:

- **Pay CalPERS** the employer retirement contributions that would have been submitted during the period of unlawful employment, plus interest; and
- **Reimburse CalPERS** for administrative expenses incurred in handling this situation, to the extent the employer is found to be at fault.

How Reinstatement Affects Subsequent Retirement

Loss of Previous Retirement Benefits

Please be aware that your new retirement may not include the same benefits you had with your previous retirement. You should discuss with your prospective employer the benefits you will receive when you retire again. For example, does the employer you will reinstate with provide medical benefits to its retirees? Will you be eligible for these benefits when you retire under that employer's plan?

Retirement benefits that will change or be lost by reinstatement:

- Retiree medical coverage depends upon benefit offered by employer at re-retirement;
- “Golden Handshake” additional service credit is permanently lost by reinstatement;
- Temporary annuity payments must be elected at re-retirement;
- The annual cost-of-living allowance (COLA) increase will begin in the second calendar year after re-retirement; and
- The Purchasing Power Protection Allowance (PPPA) is a special payment to those retirees whose purchasing power has dipped below threshold levels established by law. You may lose eligibility for this benefit at re-retirement.

Sick Leave Service Credit from Previous Retirement

State agency: If you are reinstating within 6 months of your retirement date, your unused sick leave will be restored to your active employee balance if you return to State employment. Any sick leave service credited to your retirement account will be removed.

If your reinstatement is more than six months after your retirement date, any sick leave service included in your retirement allowance will remain in your retirement account to be included in your benefit calculation when you retire again in the future.

School or Public Agency: Your sick leave service credit will remain in your retirement account. If your employer will be crediting it to your active employee account, they **must** notify CalPERS immediately so the sick leave credit can be removed from your retirement account balance.

Re-Retirement after Reinstatement: If you are reinstating to take advantage of an improved retirement formula for previous service, there may be restrictions for having that previous service credit calculated with the improved formula upon re-retirement. For information concerning your retirement formula benefits when you re-retire, contact your human resources or personnel representative.

See the section “When you Retire Again” in this booklet for details on allowance calculation.

Reinstatement from Service Retirement

To voluntarily reinstate from service retirement into active employment with a CalPERS-covered employer, you must complete the *Reinstatement from Service Retirement Application* form contained in this booklet as follows:

- You must complete Sections 1 and 3 of the application;
- Your prospective employer's human resources or personnel representative completes Section 2 of the reinstatement application;
- You must send the completed application to:
CalPERS Benefit Services Division
P.O. Box 942716
Sacramento, CA 94229-2716
- Upon receipt of your completed reinstatement application, CalPERS will notify you in writing verifying the dates your retirement ends and your reinstatement begins.

Avoiding an overpayment of retirement allowance due to reinstatement

To avoid incurring an overpayment of retirement allowance due to reinstatement from retirement, please submit your service retirement reinstatement application or disability retirement reinstatement application **before** you begin your active employment. If you do not, you will be required to reimburse CalPERS the total amount of retirement allowance you receive during the same period for which you receive salary or wages.

What Every Retiree Should Know Before Reinstating

Reinstatement from Disability or Industrial Disability Retirement

If you are retired for disability or industrial disability and wish to reinstate to a **permanent** position with a CalPERS-covered employer, you must:

- Complete Section 1 on the *Reinstatement from Disability/Industrial Disability Retirement Application* form provided in this booklet;

Or

If you are a safety member retired for industrial disability, and wish to reinstate to a **permanent** miscellaneous position with a CalPERS-covered employer you must:

- Complete Sections 1 and 2 if you are requesting reinstatement under Government Code Section 21197 to a position that is classified as miscellaneous. Upon subsequent retirement, the retirement allowance will be recalculated using the same benefit formula for industrial disability and adding an annuity for the additional time worked after reinstatement. If eligible for a service retirement after the miscellaneous employment, you may receive whichever allowance is greater but will retain the industrial disability retirement classification (Government Code Sections 21197 and 21200).

Please refer to the section “*When You Retire Again*” for important information you will need to follow to resume retirement under GC 21197.

Then you must also:

- Have your prospective employer complete Section 3 of the application form, stating their “intent to hire” you upon CalPERS approval, *if the job is different from the job you held at retirement*. This section does not need to be completed if you are requesting to reinstate to the same job you held at retirement;
- Attach a copy of the current job description for the position to which you are requesting to reinstate; and
- Request a written report from your physician, who specializes in your disabling condition, stating that he/she has examined you, reviewed the job description of your prospective job, and finds you able to perform the duties of the position with no limitations. CalPERS may require an independent medical evaluation to supplement your doctor’s report. If so, CalPERS will select the physician, schedule the appointment, and pay for the examination.

Under certain conditions you may work more than 960 hours for a CalPERS-covered employer while receiving a disability retirement benefit. Please refer to the CalPERS ***Employment After Retirement*** booklet for more information on employment that is permissible without reinstatement.

What Every Retiree Should Know Before Reinstating

CalPERS must approve your reinstatement before you begin working. The process for reinstatement from disability or industrial disability retirement can take from three to five months. You should submit your reinstatement request as far in advance as possible. You may request a specific reinstatement date, but the effective date of employment cannot be prior to the date of CalPERS approval. Once CalPERS approves your reinstatement, your retirement allowance ceases to be payable on the date of re-employment. When you decide to re-retire, you must submit an application for retirement stating your new retirement date.

Local Safety Members

If you retired for disability or industrial disability from a public agency local **safety** position, and you are requesting reinstatement to any public agency local safety position, you must submit your initial application for reinstatement to the agency from which you retired. That agency will determine your eligibility for reinstatement.

Important Information for State and CSU Retirees

If you are a State of California or California State University disability retiree, you have various reinstatement options. Refer to the information on page 3 & 4. If your disability is determined to be no longer incapacitating for duty in the position you held at the time of retirement, you can reinstate to that position. Alternatively, you can reinstate to another position in the same classification. However, if you opt for the alternative, and reinstate into any position in the same classification other than the position from which you retired, you will forfeit all reinstatement rights to the position you held at the time of retirement.

Example

Mr. Smith is retired because of a disability from his position as an Office Assistant with Department A. Thereafter, Mr. Smith's condition improves and he is determined to be no longer incapacitated for duty as an Office Assistant with Department A. Mr. Smith may reinstate to his former position as an Office Assistant with Department A. Alternatively, Mr. Smith may reinstate into a vacant Office Assistant position with Department B. If Mr. Smith reinstates into an Office Assistant position with Department B, he will thereafter forfeit any right to reinstatement as an Office Assistant with Department A.

What Every Retiree Should Know Before Reinstating

When You Retire Again

Service Retirement

To apply for service retirement after reinstatement, refer to the *Stepping Into Retirement, A Guide to Completing Your CalPERS Service Retirement Election Application* booklet.

Disability or Industrial Disability Retirement

If you become unable to perform your current job duties *and* unable to perform the duties of your current position for other CalPERS-covered agencies due to illness or injury that is expected to be permanent or last longer than six months, refer to the *A Guide to Completing Your CalPERS Disability Retirement Application* booklet.

Re-retirement under Government Code Section 21197

If you are re-retiring under GC 21197, you must:

- Submit a new *Disability Retirement Election Application*;
- Write on the application, “Retiring under GC 21197”; and
- Call CalPERS toll free at **888 CalPERS** (or **888-225-7377**) to advise us you are re-retiring under GC 21197.

Government Code Section 21197 does not require medical and vocational information to resume your retirement.

Your eligibility for coverage for health, survivor, and death benefits may change when you re-retire after reinstatement. See page 2 for information regarding the effect of reinstatement on subsequent retirement.

For additional information concerning your benefits when you re-retire, contact your human resources or personnel representative.

Calculating Your New Retirement Allowance

Calculating Your New Retirement Allowance

When you retire again after reinstatement, several factors are used to calculate your new retirement benefit allowance, including final compensation and service credit. Final compensation is your average monthly pay rate for 12 or 36 consecutive months of your new employment, depending upon your employer's contract with CalPERS. For details about final compensation periods, please see the *Stepping Into Retirement, A Guide to Completing Your CalPERS Service Retirement Election Application* booklet.

If your new employment is shorter than your employer's normal final compensation period, your final compensation will be based partly on your pay rate before your previous retirement.

For example, if your employer has a three-year final compensation period and you worked for two years after reinstatement, CalPERS will add one year of your previous pay rate to complete the three-year final compensation period.

If you have earned less than one year of service credit after reinstatement, your new retirement allowance will be calculated using the service credit earned during this period, your age at re-retirement, your final compensation after reinstatement, and your allowance prior to reinstatement. Using the following as an example, your new allowance would be calculated as shown.

| | |
|--|-------------|
| Service credit after reinstatement | = 0.5 years |
| Benefit factor for new retirement age (65) | = 2.500 |
| Final compensation | = \$2,200 |
| Allowance prior to reinstatement | = \$500 |

Step 1

| | |
|-----------------|---------------------------------------|
| 0.5 | service credit after reinstatement |
| x <u>2.500%</u> | benefit factor for new retirement age |
| 1.25% | percent of final compensation |

Step 2

| | |
|---------------------|-------------------------------|
| 1.25% | percent of final compensation |
| x <u>\$2,200.00</u> | final compensation |
| \$27.50 | allowance on new service |

Step 3

| | |
|-------------------|--------------------------|
| \$27.50 | allowance on new service |
| + <u>\$500.00</u> | allowance on old service |
| \$527.50 | total new allowance |

If you have earned one year or more of service credit after reinstatement, your new allowance will be calculated using your service credit for your employment both before and after reinstatement, the benefit factor for your new retirement age and your "determined age," the length of time you were retired, and your final compensation. "Determined age" is your age at re-retirement, minus the number of years and months you were retired.

Calculating Your New Retirement Allowance

Estimates for Future Retirement Benefits

Using the following as an example, your new allowance would be calculated as shown.

| | |
|---|---------------|
| Service credit after reinstatement | = 4.200 years |
| Benefit factor for new retirement age (65) | = 2.500 |
| Final compensation | = \$2,200 |
| Service credit for prior retirement | = 9 years |
| Length of retirement | = 6 years |
| Benefit factor for determined age (65 – 6 = 59) | = 2.250 |

Step 1

| | |
|----------------|---------------------------------------|
| 4.20 | service credit after reinstatement |
| x <u>2.50%</u> | benefit factor for new retirement age |
| 10.50% | percent of final compensation |

Step 2

| | |
|---------------------|-------------------------------|
| 10.50% | percent of final compensation |
| x <u>\$2,200.00</u> | final compensation |
| \$231.00 | allowance on new service |

Step 3

| | |
|----------------|--|
| 9.00 | service credit for prior retirement |
| x <u>2.25%</u> | benefit factor for determined age |
| 20.25% | percent of final compensation on old service |

Step 4

| | |
|---------------------|-------------------------------|
| 20.25% | percent of final compensation |
| x <u>\$2,200.00</u> | final compensation |
| \$445.50 | allowance on old service |

Step 5

| | |
|-------------------|--------------------------|
| \$445.00 | allowance on old service |
| + <u>\$231.00</u> | allowance on new service |
| \$676.50 | total new allowance |

There are various circumstances that may affect the calculation of your allowance when you re-retire:

- Disability retirement versus service retirement;
- Industrial disability reinstatement to miscellaneous membership;
- Whether reciprocity with another retirement system was involved in your retirement;
- Whether you were receiving temporary annuity benefits.

If you are considering reinstatement from retirement, CalPERS may be able to provide you with an estimate of your **future service retirement** allowance under specific circumstances. **Your request must be in writing.** You must provide CalPERS with your prospective employment effective date and projected income during the period of your reinstatement, along with the specific date you intend to retire again.

Please mail written request for an estimate to:

Member Services Division, Estimate Unit
P.O. Box 942717
Sacramento, CA 94229-2717

Your eligibility for the annual cost-of-living increase (COLA) and the Purchasing Power Protection Allowance will be determined by and based on your re-retirement date and new re-retirement benefits.



Reinstatement from Service Retirement Application

888 CalPERS (or 888-225-7377) • TTY for Speech and Hearing Impaired: (916) 795-3240

DO NOT use this application if you are retired on a disability or industrial disability retirement. Instead, use the Request From Disability/ Industrial Disability Retirement form provided in this booklet.

Section 1

Member Information

Please provide your full name including middle initial. Display all dates in this order: Month/Day/Year.

| | | |
|--|---------------|------------------------|
| Name of Member (First Name, Middle Initial, Last Name) | | Social Security Number |
| Birthdate (mm/dd/yyyy) | Daytime Phone | Evening Phone |
| Address | | |
| City | State | ZIP |

Section 2

Prospective Employer Information and Certification

Must be completed by a human resources representative.

| | |
|---|------------------------------------|
| Date of Prospective Employment (mm/dd/yyyy) | Position Title (do not abbreviate) |
| Name of Employer | Employer Code |
| Address | |
| City | State ZIP |

I hereby certify, under penalty of perjury, that the above information is true, complete, and correct to the best of my knowledge.

| | | |
|------------------------|-------------------------|-------------------|
| Signature of Employer | Position Title | Date (mm/dd/yyyy) |
| Print Name of Employer | Employer's Phone Number | |

Section 3

Member Signature and Certification

I hereby certify, under penalty of perjury, that the above information is true, complete, and correct to the best of my knowledge.

| | |
|---------------------|-------------------|
| Signature of Member | Date (mm/dd/yyyy) |
|---------------------|-------------------|

Mail to:

CalPERS Benefit Services Division • P.O. Box 942716, Sacramento, California 94229-2716



Reinstatement From Disability/Industrial Disability Retirement Application

888 CalPERS (or 888-225-7377) • TTY for Speech and Hearing Impaired: (916) 795-3240

If you are reinstating from service retirement, DO NOT USE this form. Refer to the Reinstatement from Service Retirement Application in this publication.

Section 1

Member Certification

Completing this form is a formal request to reinstate into active membership with a CalPERS-covered employer.

Name of Member (First Name, Middle Initial, Last Name) | Social Security Number

Address

City | State | ZIP

I request reinstatement into active CalPERS membership with the following employer, in the following position.

I understand that reinstatement can change the benefits I receive now and the benefits I am entitled to in the future.

Name of Employer | Job Title | Hire Date (proposed) (mm/dd/yyyy)

Signature of Member | Date (mm/dd/yyyy) | Phone

Section 2

Safety Members Requesting Reinstatement Under Government Code 21197

I am requesting reinstatement from an industrial disability retirement into a miscellaneous position under Government Code Section 21197. I have read page 3 of this book and understand the requirements of this provision.

Section 3

Employer Certification

Complete this section if reinstatement is to a different position from which retired. Please attach duty statement.

It is our intent to hire for the following:

Name of Employer | Job Title

Name of Member

Authorized Signature

Title | Date (mm/dd/yyyy) | Phone

This offer is contingent upon written approval from CalPERS.

Mail to:

CalPERS Benefit Services Division • P.O. Box 2796, Sacramento, California 95812-2796

How To Get More Information

Online Information

Visit us on the Internet at www.calpers.ca.gov

Reaching Us by Phone

Call toll free at 888 CalPERS (or 888-225-7377)

Hours: Monday thru Friday, 8:00 a.m. to 5:00 p.m.

TTY for speech and hearing impaired:

(916) 795-3240

CalPERS Regional Offices

Visit the CalPERS Web site for directions to your local office.

Hours: Monday thru Friday, 8:00 a.m. to 5:00 p.m.

Sacramento Regional Office*

2750 Gateway Oaks Drive, Room 140

P.O. Box 942710

Sacramento, CA 95833

* Sacramento Regional Office will be moving late-2005 to the new CalPERS Headquarters building at 400 Q Street, Sacramento, CA 95814.

San Francisco Regional Office

301 Howard Street, Suite 2020

San Francisco, CA 94105

Glendale Regional Office

Glendale Plaza

655 North Central Avenue, Suite 1400

Glendale, CA 91203

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330

San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350

San Diego, CA 92108

San Jose Regional Office

181 Metro Drive, Suite 520

San Jose, CA 95110

Orange Regional Office

500 North State College Blvd., Suite 750

Orange, CA 92868

Fresno Regional Office

10 River Park Place East, Suite 230

Fresno, CA 93720

CalPERS Headquarters

400 Q Street

Sacramento, CA 95814

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



California Public Employees' Retirement System

400 Q Street
Sacramento, California 95814

888 CalPERS (or **888-225-7377**)
www.calpers.ca.gov

CalPERS PUB 37
Revised August 2005 | Printed August 2005